

IDAHO REAL ESTATE APPRAISER BOARD
Bureau of Occupational Licenses
700 West State Street, P.O. Box 83720
Boise, ID 83720-0063

Board Meeting Minutes of 6/17/2015

BOARD MEMBERS PRESENT: Paul J. Morgan - Chair
Darin D Krier
Douglas D Vollmer
Brad Janoush

BUREAU STAFF: Tana Cory, Bureau Chief
Dawn Hall, Administrative Support Manager
Lori Peel, Investigative Unit Manager
Maurie Ellsworth, General Counsel
Mitch Toryanski, Legal Counsel
Skip Liddle, Investigator
Pamela Rebolo, Technical Records Specialist

OTHERS PRESENT: Eric Nelson, Board Prosecutor
James T. More
Paul Jensen
Kim Johnson
Gordean Briggs
Jeanne Jackson-Heim
Tim Sullivan
Mike Brassey

The meeting was called to order at 8:30 AM MDT by Paul J. Morgan.

APPROVAL OF MINUTES

Mr. Krier made a motion to approve the minutes of April 17, 2015. It was seconded by Mr. Vollmer. Motion carried.

Ms. Hall stated that a motion was missing in the minutes of April 17, 2015. Upon adding the missing information to amend the minutes, Mr. Krier made a motion to approve the minutes of April 17, 2015, as amended. It was seconded by Mr. Vollmer. Motion carried.

LEGISLATIVE REPORT

Ms. Cory gave the legislative report. Ms. Cory said the two Bureau bills considered by the Legislature had passed. HB116 is to clarify that Boards served

by the Bureau of Occupational Licenses can recoup attorney fees when a licensee is found to be in violation of the Board's laws and rules in disciplinary cases. HB117 allows licensees to reinstate their licenses without paying for the years they were not licensed. It also increases the reinstatement fee from \$25 to \$35.

FINANCIAL REPORT

Ms. Hall gave the financial report, which indicated that the Board had a cash balance of \$104,354.20 as of May 31, 2015

DISCIPLINE

Mr. Nelson presented a memorandum regarding case number REA-2015-5. After discussion, the Board moved to approve the Bureau's recommendation and authorize closure in Case REA-2015-5. Mr. Vollmer made a motion to approve the Bureau's recommendation and authorize closure in Case REA-2015-5. It was seconded by Ms. Sommerwerck. Motion carried. Mr. Krier recused himself from discussion and voting.

INVESTIGATIVE REPORT

Ms. Peel gave the investigative report, which is linked above.

FOR BOARD DETERMINATION

Mr. Vollmer made a motion to approve the Bureau's recommendation and authorize closure in case I-REA-2015-12. It was seconded by Ms. Sommerwerck. Motion carried.

Mr. Krier made a motion to approve the Bureau's recommendation and authorize closure in case I-REA-2015-13. It was seconded by Mr. Vollmer. Motion carried.

PROBATION LOG

The Board reviewed the Probation Log.

AMC PRESENTATION

Mr. Janoush called in to give a power point presentation on the Appraisal Management Company meeting he attended. Mr. Janoush suggested that each member of the Board review the documentation from the presentation in order to discuss how Idaho's policy should be written at a later Board meeting. After his presentation, Mr. Janoush left the meeting.

Mr. Brassey who is representing the Idaho Banker's Association presented a draft of a proposed bill for regulation of Appraisal Management Companies. Mr. Brassey explained that the federal rules have been finalized and the concept is to allow appraisers to be independent. He stated that the proposal would allow for the companies to be registered and the appraisers to be licensed or certified. In discussing Section 4102, the Board stated that the issue should take into consideration only residential and not commercial appraisers.

Mr. Morgan requested that the Board schedule a meeting to discuss this draft and give comments to Mr. Brassey. Mr. Brassey will be sending notification to realtors, credit unions and other organizations to make them aware of the draft and give them a chance to comment before the bill goes to the Legislature.

OLD BUSINESS

To Do List – The Board reviewed the to do list and no action was taken.

NEW BUSINESS

INTRODUCTION OF LEGAL COUNSEL

Mr. Ellsworth introduced Mitchell Toryanski as the Bureau's legal counsel. Mr. Toryanski will draft statutes and rules for boards and provide training to boards when appropriate. Mr. Toryanski provided information to the Board about a recent U.S. Supreme Court case which may affect state regulatory boards that are controlled by active market participants.

Mr. Toryanski also discussed with the Board the option of changing fee Rule 150.04 to comply with the change to Idaho Code 67-2614.

Ms. Sommerwerck made a motion to approve the rule change for Rule 150.04. It was seconded by Mr. Vollmer. Motion carried.

REAL ESTATE COMMISSION

Jeanne Jackson-Heim, Executive Director for the Real Estate Commission, presented the Board with the 2014 edition of the Idaho Real Estate License Laws and Rules. She discussed the joint guidelines regarding Broker Price Opinion between the Real Estate Appraiser Board and the Real Estate Commission, which is referenced in Idaho Real Estate Commission Guideline #20. She stated that there is a lack of awareness on a national level. Ms. Jackson-Heim said the commission is doing training and other outreach to raise awareness. Ms. Sommerwerck requested that information be presented in newsletters.

CORRESPONDENCE

A letter to the Appraisal Subcommittee responding to the recent audit was reviewed by the Board. Mr. Vollmer made a motion to send the letter to the Appraisal Subcommittee as written. It was seconded by Mr. Krier. Motion carried.

A letter submitted by Morse & Company was reviewed by the Board. Mr. Morse submitted a detailed request petitioning changes be made by the Board for rules in the following areas under Idaho Code 67-5230. Mr. Morse first addressed Idaho code 54-4101(1) which defines the word appraisal. He states that the term is used too broadly in that an appraisal does not mean an estimate of value. He stated that this definition is much broader than the definition in the Uniform Standards of Professional Appraisal Practice (USPAP). He also stated that this definition is so broad that it may include other services. He also states that adopting an over broad definition would not serve appraisers well and there are thousands of violations of the definition. Mr. Morse is requesting the Board adopt the USPAP definition or similar.

Mr. Morse noted that in Idaho Code 54-4105 (5) it excludes Idaho Transportation Department and the highway districts from compliance with the appraisal statute. Mr. Morse is requesting the board adopt a rule clarifying the exclusion which is tied to the \$10,000 limit and asked how this is calculated. Mr. Morse also questioned what type of review is the certified general appraiser expected to perform when the service is exempt from the requirements of USPAP. He would like to see the Board adopt an explanatory rule either outlining an acceptable scope of services or define a safe harbor provision for appraiser performing this type of service as currently it defies logic, public protections and appraisal practices.

Mr. Morse's correspondence went on to state that IDAPA 24.18.01 Rule 700 adopts the current version of USPAP as the applicable rules for ethics and conduct standards for all real estate appraisers and questioned if the Board enforce USPAP standards #7, 8, 9 and 10. He stated that standard rules #7-10 do not apply to appraisals and would appear to exceed the authority of the board. Mr. Morse is requesting that the board amend the IDAPA rules or adopt a rule to clarify which standards of USPAP are enforced and within the Board's jurisdiction.

Lastly, Mr. Morse stated that IDAPA 24.18.01.010 Rule 10 under Section 14 defines specialized appraisal services and states that the definition for this term do not fall within the definition of appraisal assignments in USPAP. He is requesting the Board amend Section 14 to clarify whether and if so, what services fall within USPAP requirements and what standards apply to specialized appraisal services where such services do not relate to valuation.

Mr. Morse's letter also included a public records request for any written interpretations pertaining to the above rules. The Bureau will respond to this

request. A special meeting regarding the AMC legislative draft and discussion of Mr. Morse's letter will be scheduled. The Board directed the Bureau to invite Mr. Morse to that meeting.

The Board reviewed correspondence from Bill Schultz regarding his ability to supervise an apprentice. The Board determined Mr. Schultz would be eligible to supervise.

An email from Cindy Longnecker-Allen regarding the Supervisor Trainee Course was reviewed. The Board requested staff respond back noting there is a course in Oregon that is approved.

The Board reviewed correspondence from the Appraisal Foundation regarding an Exposure Draft of Proposed Valuers Code of Professional Ethics from the Appraisal Institute. The Board reviewed the draft. No further action was taken.

CE COURSES APPROVED

Allterra Group	FHA Appraisals and Reporting Requirements
McKissock	Adjustments Supported or Not Supported
Southern Idaho	
Chapter of the	
Appraisal Institute	A Water Rights revival Course For Idaho Appraisers
Allterra Group	2015 Regulatory Update/Best Practices
Allterra Group	2015 Keynote/The Vision for Valuation
McKissock	The new FHA Handbook 4000.1 Online
ASFMRA	Foundations of Appraisal Review (A600)
Appraisal Institute	Online Thinking Outside the Form
Appraisal Institute	Online Subdivision Valuation

EXECUTIVE SESSION

Ms. Sommerwerck made a motion that the Board go into executive session under Idaho Code § 67-2345(1)(d) to consider records that are exempt from disclosure under the Idaho Public Records Law. The purpose of the Executive Session was to consider license application materials. Mr. Vollmer. The vote was: Mr. Morgan, aye; Ms. Sommerwerck, aye; Mr. Vollmer, aye; and Mr. Krier, aye. Motion carried.

Mr. Krier made a motion to come out of executive session. It was seconded by Mr. Vollmer. The vote was: Mr. Morgan, aye; Ms. Sommerwerck, aye; Mr. Vollmer, aye; and Mr. Krier, aye. Motion carried.

APPLICATIONS

Mr. Vollmer made a motion to approve the following for licensure by Reciprocity:

Jonathon Strong	REAA-3952
David Thomson	REAA-3954
Jesse Mock	REAA-3945
Robert Olson	REAA-3953
John Romney	REAA-3951
David Olson	REAA-3961
Franklin Clawson	REAA-3950
Giselle Nguyen	REAA-3955

It was seconded by Mr. Krier. Motion carried.

Mr. Vollmer made a motion to approve the following for exam:

Darren Titus	REAA-3879
Jodi Dennett	REAA-3858

It was seconded by Mr. Krier. Motion carried.

Mr. Vollmer made a motion to approve the following for licensure:

901118213

Mr. Vollmer made a motion to amend approval of 901118213 for licensure to approved **pending** additional documents sent in. It was seconded by Ms. Sommerwerck. Motion carried.

Mr. Vollmer made a motion to approve the following applications pending additional information submitted to the Board for review:

901118213
901119387

It was seconded by Mr. Krier. Motion carried.

CONTINUING EDUCATION AUDIT

Continuing education audit responses were reviewed by the Board.

NEXT MEETING was scheduled for August 17, 2015 at 8:30 A.M.

ADJOURNMENT

Mr. Krier made a motion to adjourn the meeting at 4:00 P.M. It was seconded by Ms. Sommerwerck. Motion carried.

Paul J. Morgan, Chair

Brad Janoush

Douglas D Vollmer

Darin D Krier

Tana Cory, Bureau Chief